

**LEASE AGREEMENT
(Multi-Tenant Gross Lease)
(Continued)**

CBA Form GR-LS
Multi-Tenant Gross Lease Agreement
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THIS LEASE AGREEMENT (the "Lease") is entered into this ____ day of ____, between Rainier Commons, L.L.C. ("Landlord"), and Sabaki Cooperative, L.L.C. ("Tenant").

Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. Leased Premises. The leased commercial real estate (the "Premises") consists of an agreed area of rentable square feet and is outlined on the floor plan attached as Exhibit A, located on the land legally described on attached Exhibit B, and is commonly known as 3100 Airport Way South Seattle WA. Consisting of approximately 240,000 SF of buildings. Tenant to lease Building 21, approximately 16,000 square feet (see Exhibit A & B for details). The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises, the land beneath the Premises, the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling or structural elements of the building in which the Premises are located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to herein as the "Property."

b. Lease Commencement Date. The Lease shall commence on the date that Landlord notifies Tenant that Landlord's Work (hereinafter defined) has been completed and that the Premises are ready for possession by Tenant (the "Commencement Date").

c. Lease Termination Date. The Lease shall terminate at midnight on Fifth (5th) anniversary from formal commencement date, or such earlier or later date as provided in Section 3 (the "Termination Date").

d. Base Rent. The base monthly rent shall be (check one): ☐ \$____, or ☒ according to the Rent Rider attached hereto. Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

e. Prepaid Rent. Upon execution of "Early Possession" (refer to Section 3b), Tenant shall deliver to Landlord the sum of \$ First month as prepaid rent, to be applied to the Rent due for the first month of the Lease after the abated month (refer to "Rent Rider"). The previously paid \$3000 by Tenant to Landlord shall be deducted from the amount owed as First Month Rent.

g. Permitted Use. The Premises shall be used only for live/work artist studio and all other related business activities to tenant's business and for no other purpose without the prior written consent of Landlord.

h. Notice and Payment Addresses:

Landlord:____ Fax No.:

Tenant:____ Fax No.:

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

3. TERM.

a. Commencement Date. The Lease shall commence on the date specified in Section 1(b). If Landlord acts diligently to make the Premises available to Tenant, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord's inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. The Termination Date shall be modified upon any change in the Commencement Date so that the length of the Lease term is not changed. The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year, except that the last Lease Year shall end on the Termination Date. In the event that Landlord is unable, after diligent efforts, to obtain the permits necessary to complete the tenant improvements set forth in Exhibit C, within eighteen (18) months from the date of execution hereof this Lease shall terminate and the parties shall have no further obligations to one another hereunder. In such event all prepaid rent and security deposits shall be returned to Tenant.

b. Early Possession. Tenant shall receive early possession of 60 days to begin construction (and for construction purposes only) to the Premises during the Landlord's construction process. The purpose of the early possession

is to allow the Tenant a greater period of time for build out and construction coordination without extending the abated rent period. Notwithstanding anything to the contrary contained herein, all obligations of Tenant under this Lease, other than the payment of rent which shall commence on the Commencement Date, shall commence and be effective on the date that Tenant takes possession of the Premises. Landlord shall give tenant a thirty (30) days notice that the space is ready for early possession.

- c. **Tenant Obligations.** To the extent Tenant's tenant improvements are not completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease, the Lease shall nevertheless commence on the Commencement Date.

Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises and the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements described on attached Exhibit C to be completed by Landlord (defined therein as "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises, acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work), and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

Attached Exhibit C sets forth all Landlord's Work, if any, and all tenant improvements to be completed by Tenant ("Tenant's Work"), which is to be performed on the Premises. Responsibilities for design, payment and performance of all such work shall be as set forth on attached Exhibit C. If Tenant fails to notify Landlord of any defects in the Landlord's Work within ten (10) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in completed condition. If Tenant discovers any major defects in the Landlord's Work during this 10-day period that would prevent Tenant from using the Premises for its intended purpose, Tenant shall so notify Landlord in writing and the Commencement Date shall be delayed until after Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises after Landlord's correction of such defects. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for their intended purpose. Tenant shall prepare a punch list of all minor defects and provide the punch list to Landlord. Landlord shall promptly correct all punch list items.

4. **RENT.** Tenant shall pay Landlord without demand, deduction or offset, in lawful money of the United States, the monthly rental stated in Section 1(d) in advance on or before the first day of each month during the Lease Term beginning on (**check one**): ☐ the Commencement Date, or ☐ _____ (if no date specified, then on the Commencement Date), and any other additional payments due to Landlord (collectively the "Rent") when required under this Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated.

If any sums payable by Tenant to Landlord under this Lease are not received by the seventh (7th) day of each month, Tenant shall pay Landlord in addition to the amount due, for the cost of collecting and handling such late payment, an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount. In addition, all delinquent sums payable by Tenant to Landlord and not paid within five days of the due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims.

5. **USES.** The Premises shall be used only for the use(s) specified in Section 1(g) above (the "Permitted Use"), and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises or the Building, or cause the cancellation of any insurance on the Premises or the Building. Tenant shall not commit or allow to be committed any waste upon the Premises or any public or private nuisance in a manner that is "unlawful" (not in keeping with Washington State Law). Tenant shall not do or permit anything to be done in the Premises or on the Property that will obstruct or interfere with the rights of other tenants or occupants of the Property, or their customers, clients and visitors, or to injure or annoy such persons in a manner that is "unlawful" (not in keeping with Washington State Law).

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6. **PARKING.** One parking spot shall be provided by Landlord to Tenant for each voting member of the group that is the Tenant, up to two (2) spaces in total, as parking becomes available during development of the overall site (See City of Seattle Master Use Permit for 3100 Airport Way South for detail). Cost of parking to be determined by Landlord in conformity with what Landlord charges other tenants of its property and upon availability.
7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant, to the best of Landlord's knowledge, that with the exception of any Tenant's Work, as of the Commencement Date, the Premises comply with all applicable laws, rules, regulations, or orders. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of Tenant's particular use, such as modifications required by the Americans With Disabilities Act as a result of Tenant opening the Premises to the public as a place of public accommodation. If the enactment or enforcement of any law, ordinance, regulation or code during the Lease term requires any changes to the Premises during the Lease term, the Tenant shall perform all such changes at its expense if the changes are required due to the nature of Tenant's activities at the Premises, or to alterations that Tenant seeks to make to the Premises; otherwise, Landlord shall perform all such changes at its expense. Furthermore, Tenant shall be required to make any changes or additions to the Premises, at its expense, should any changes to the Premises be required to make the Premises comply with the American with Disabilities Act or other law. Landlord shall provide Tenant with an easement for the purpose of making the latter required improvements as long as it does not interfere with Landlords and its other tenants uses of Landlords property.
8. **UTILITIES AND SERVICES.** Tenant shall provide and pay for the following services: water, gas and electricity for the Premises seven (7) days per week, twenty-four (24) hours per day. Landlord intends to separately meter water, electricity and gas service for the Premises. If, despite diligent efforts, Landlord is unable to separately meter the Premises, or if the cost to separately meter the Premises exceeds \$7,000 and Landlord elects not to separately meter the Premises, Tenant shall pay its proportionate share of all charges for utilities jointly metered based on square footage and any additional amount as a result of excess costs resulting from Tenant's use of electronic devises in excess of normal usage. Tenant shall pay for heating and ventilation services at an hourly rate reasonably established by Landlord from time to time, as billed, as additional Rent.
- Tenant shall furnish and pay, at Tenant's sole expense, all other utilities (including, but not limited to, garbage, telephone, for secure entry, and cable service if available) and all other services which Tenant requires with respect to the Premises.
9. **TAXES.** Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Tenant's use of the Premises, and all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Project, including any Taxes resulting from a reassessment of the Building or the Project due to a change of ownership or otherwise.
10. **COMMON AREAS.**
- a. **Definition.** The term "Common Areas" means all areas and facilities that are provided and designated at commencement date of lease by Landlord for the general non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of a particular tenant. Common Areas may, but do not necessarily include, hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas and lobby or mall areas. Tenant shall comply with reasonable rules and regulations concerning the use of the common areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any common areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.
- b. **Use of the Common Areas.** Tenant shall have the non-exclusive right in common with such other tenants to whom Landlord has granted or may grant such rights to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, contractors, and invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others.

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c. Maintenance of Common Areas. Landlord shall maintain the Common Areas in good order, condition and repair.

11. ALTERATIONS. Tenant may make alterations, additions or improvements to the Premises, including any Tenant's Work identified on attached Exhibit C ("Alterations"), with the prior written consent of Landlord. The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises, and Landlord's consent shall not be required for Tenant's installation of those items. Tenant shall complete all Alterations at Tenant's expense in compliance with all applicable laws and in accordance with plans and specifications approved by Landlord, using licensed contractors, and in a manner so as to not unreasonably interfere with other tenants. Landlord shall be deemed the owner of all Alterations except for those which Landlord requires to be removed at the end of the Lease term. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.

12. REPAIRS AND MAINTENANCE. Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises safe and in good condition, including all utilities and other systems serving the Premises. Landlord shall maintain and repair the Building structure, foundation, exterior walls, and roof, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, agents, contractors, or invitees. If Tenant fails to maintain or repair the Premises, Landlord may enter the Premises and perform such repair or maintenance on behalf of Tenant. In such case, Tenant shall be obligated to pay to Landlord, as additional Rent, all costs incurred by Landlord with next rent due date or 30 days. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the acts of Landlord or its agents, employees, contractors or invitees therein.

Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

Landlord is responsible for the maintenance and repair of the exterior walls of the Premises.

13. ACCESS AND RIGHT OF ENTRY. After 48 hours written notice from Landlord (except in cases of emergency, where no notice is required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, alterations, improvements or inspections. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within 180 days prior to the expiration or sooner termination of the Lease term.

14. SIGNAGE. Tenant shall obtain Landlord's written consent before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole expense and in compliance with all applicable laws. Tenant shall not damage or deface the Premises in installing or removing signage and shall repair any injury or damage to the Premises caused by such installation or removal.

15. DESTRUCTION OR CONDEMNATION.

a. Damage and Repair. If the Premises or the portion of the Property necessary for Tenant's occupancy are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and the portion of the Property necessary for Tenant's occupancy and this Lease shall not terminate; provided, however, Tenant may terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event. The Premises or the portion of the Property necessary for Tenant's occupancy shall not be deemed untenable if less than twenty-five percent (25%) of each of those areas are damaged. Notwithstanding the foregoing, Landlord shall have no obligation to restore the Premises or the portion of the Property necessary for Tenant's occupancy if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

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If the Premises, the portion of the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenantable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition; provided, however, if such casualty event occurs during the last 6 months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenantable, Landlord fails to notify Tenant of its election to restore those areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises or the Property under this Section 15(a), Landlord shall proceed with reasonable diligence to complete the work, and the base Rent shall be abated in the same proportion as the untenantable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. Provided, Landlord complies with its obligations under this Section, no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or as provided in Exhibit C or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence.

b. Condemnation. If the Premises, the portion of the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are made untenantable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the Property and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises or the portion of the Property necessary for Tenant's occupancy that does not render those areas untenantable, then this Lease shall continue in full force and effect and the base Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises or the portion of the Property necessary for Tenant's occupancy shall not be deemed untenantable if less than twenty-five percent (25%) of each of those areas are condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

a. Liability Insurance. During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord as an additional insured, and shall insure Tenant's activities and those of Tenant's employees, officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors with respect to the Premises against loss, damage or liability for personal injury or death or loss or damage to property with a combined single limit of not less than \$1,000,000, and a deductible of not more than \$5,000. The insurance will be non-contributory with any liability insurance carried by Landlord.

b. Tenants Insurance. During the Lease term, Tenant shall pay for and maintain replacement cost fire and extended coverage insurance, with vandalism and malicious mischief and sprinkler leakage, in an amount sufficient to cover not less than 100% of the full replacement cost, as the same may exist from time to time, of all of Tenant's personal property, fixtures, equipment and tenant improvements.

c. Miscellaneous. Insurance required under this Section shall be with companies rated A-V or better in Best's Insurance Guide, and which are authorized to transact business in the State of Washington. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days' prior written notice to Landlord. Tenant shall deliver to

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Landlord upon commencement of the Lease and from time to time thereafter, copies or certificates of the insurance policies required by this Section. In no event shall the limit of such policies be considered as limiting the liability of Tenant under this Lease.

d. Landlord Insurance. Landlord shall pay for and maintain standard form extended coverage fire insurance of the building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. In addition to the foregoing, in the event Tenant fails to provide or keep in force any of the insurance as required above, Landlord, in its discretion, may provide such insurance, in which event, the cost thereof shall be payable by Tenant to Landlord as additional rent on the first day of the calendar month immediately following demand therefor from Landlord.

e. Waiver of Subrogation. Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance required to be carried by each of them. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.

17. INDEMNIFICATION. Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Tenant or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises as a result of any act, omission or negligence of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel acceptable to Landlord in defense of any action within Tenant's defense obligation. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Landlord or Landlord's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel acceptable to Tenant in defense of any action within Landlord's defense obligation. The provisions of this Section 17 shall survive expiration or termination of this Lease.

18. ASSIGNMENT AND SUBLETTING. Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonable withheld. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor, if required, for the payment of Rent and performance of all terms of this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption instruments.

19. LIENS. Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability from any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord, at Tenant's expense, immediately furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien(s).

20. DEFAULT. The following occurrences shall each be deemed an Event of Default by Tenant:

a. Failure To Pay. Tenant fails to pay any sum, including Rent, due under this Lease following five (5) days written notice from Landlord of the failure to pay.

b. Vacation/Abandonment. Tenant vacates the Premises (defined as an absence for at least 15 consecutive days without prior notice to Landlord), or Tenant abandons the Premises (defined as an absence of five (5) days

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or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. Insolvency. Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or a receiver, assignee or other liquidating officer is appointed for Tenant's business, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

d. Levy or Execution. Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.

e. Other Non-Monetary Defaults. Tenant breaches any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section, and the breach continues for a period of 30 days after notice by Landlord to Tenant of the breach.

f. Failure to Take Possession. Tenant fails to take possession of the Premises on the Commencement Date.

21. REMEDIES.

Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

a. Termination of Lease. Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than written notice from Landlord to Tenant of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described in Section 21b.

b. Re-Entry and Reletting. Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions, as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a written notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. During the Event of Default, Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, plus the net proceeds, if any, after reletting the Premises, after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

c. Waiver of Redemption Rights. Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, as it may have been extended.

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- d. Nonpayment of Additional Rent.** All costs which Tenant agrees to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have all the rights herein provided for in case of nonpayment of Rent.
- e. Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law to foreclose Landlord's lien for unpaid rent.
- 22. MORTGAGE SUBORDINATION AND ATTORNMEN.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"), provided the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage shall elect to continue this Lease in full force and effect. Tenant shall attorn to the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided such person(s) assume the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's Mortgage and each person acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default exists.
- 23. NON-WAIVER.** Landlord's waiver of any breach of any term contained in this Lease shall not be deemed to be a waiver of the same term for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any breach by Tenant preceding such acceptance.
- 24. HOLDOVER.** If Tenant shall, without the written consent of Landlord, hold over after the expiration or termination of the Term, such tenancy shall be deemed to be on a month-to-month basis and may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 125% the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect.
- 25. NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person, (ii) three (3) days after being sent by registered or certified mail to Landlord or Tenant, as the case may be, at the Notice Addresses set forth in Section 1(h); or (iii) upon confirmed transmission by facsimile to such persons at the facsimile numbers set forth in Section 1(h) or such other addresses/facsimile numbers as may from time to time be designated by such parties in writing.
- 26. COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such suit, at trial and on appeal.
- 27. ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Lease term commenced and the date it expires; (ii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that this Lease represents the entire agreement between the parties; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; (vi) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (vii) that no Rent has been paid more than one month in advance; and (viii) that no security has been deposited with Landlord (or, if so, the amount

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thereof). Any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee.

28. TRANSFER OF LANDLORD'S INTEREST. This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, except for any retained security deposit or prepaid rent, and Tenant shall attorn to the transferee.

29. RIGHT TO PERFORM. If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Tenant shall, on demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

30. HAZARDOUS MATERIAL. Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge, there will be no "Hazardous Material" (as defined below) on, in, or under the Premises as of the Commencement Date. Possible asbestos and lead paint that may be located in the building will be cleaned prior to tenants occupancy and possession. Landlord will provide Tenant with copies of all documentation in Landlord's possession regarding hazardous materials and its removal prior to the Commencement Date.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises by Tenant, its agents, employees, contractors or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, results in any unlawful release of Hazardous Materials on the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property, to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion.

As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. The provisions of this Section 30 shall survive expiration or termination of this Lease.

31. QUIET ENJOYMENT. So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, or by the holders of any Landlord's Mortgage or any successor thereto.

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32. GENERAL.

a. Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

b. Brokers' Fees. Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease other than as disclosed in this Lease. Tenant shall indemnify and hold Landlord harmless against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. This subparagraph shall not apply to brokers with whom Landlord has an express written brokerage agreement.

c. Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understanding pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

d. Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

e. Force Majeure. Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

f. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington. No terms set out in this lease agreement can supercede Washington State Law.

g. Memorandum of Lease. Except for pages containing the Commission Agreement, attached Exhibits A and B, and the parties signatures, this Lease shall not be recorded. However, Landlord and Tenant shall, at the other's request, execute and record a memorandum of Lease in recordable form that identifies Landlord and Tenant, the commencement and expiration dates of the Lease, and the legal description of the Premises as set forth on attached Exhibit B.

h. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both Landlord and Tenant.

i. No View Easement. Tenant has not been granted an easement or other right for view to or from the Premises. Any diminution or of view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.

j. Authority of Parties. Any individual signing this Lease on behalf of an entity represents and warrants to the other that such individual has authority to do so and, upon such individual's execution, that this Lease shall be binding upon and enforceable against the party on behalf of whom such individual is signing.

33. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease:

Exhibit A Floor Plan Outline of the Premises

Exhibit B Legal Description

Exhibit C Tenant Improvement Schedule

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. ANY RIDERS CHECKED SHALL BE EFFECTIVE ONLY UPON BEING INITIALED BY THE PARTIES AND ATTACHED TO THE LEASE. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- ☒ Rent Rider
- ☐ Retail Use Rider
- ☐ Arbitration Rider
- ☐ Limitation on Landlord's Liability Rider
- ☐ Guaranty of Tenant's Lease Obligations Rider

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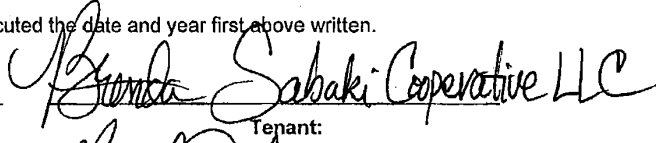
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- ☐ Parking Rider
☐ Option to Extend Rider

IN WITNESS WHEREOF this Lease has been executed the date and year first above written.



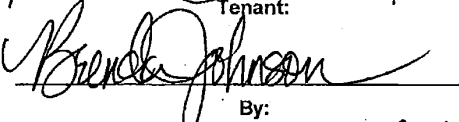
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Tenant:

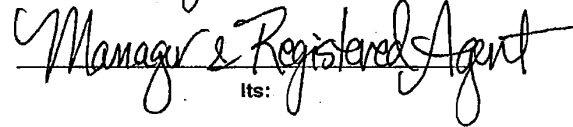


Landlord:



By:

Landlord:



Its:

By:

Its:

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STATE OF WASHINGTON)

) ss.

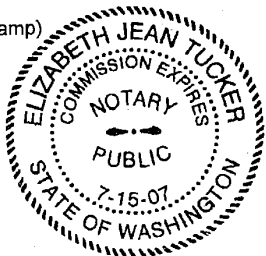
COUNTY OF

KING

I certify that I know or have satisfactory evidence that BARBARA JOHNSON is the person who appeared before me and said person acknowledged that SHE signed this instrument, on oath stated that SHE was authorized to execute the instrument and acknowledged it as the MANAGER/Registered Agent of SARAH Cooperative to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: December 12, 2003

(Seal or stamp)



Elizabeth Jean Tucker

Printed Name: ELIZABETH JEAN TUCKER

NOTARY PUBLIC in and for the State

of Washington, residing at Seattle

My Commission expires: 7-15-2007

STATE OF WASHINGTON)

) ss.

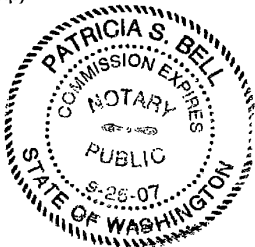
COUNTY OF

KING

I certify that I know or have satisfactory evidence that SHIMON MIZRAHI is the person who appeared before me and said person acknowledged that HE signed this instrument, on oath stated that HE was authorized to execute the instrument and acknowledged it as the MANAGER of RAINIER COMMONS LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: DEC-15, 2003

(Seal or stamp)



Patricia S Bell

Printed Name: PATRICIA S BELL

NOTARY PUBLIC in and for the State

of Washington, residing at WOODINVILLE

My Commission expires: 9/25/07

My Commission expires:

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STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

(Seal or stamp)

Printed Name: _____

NOTARY PUBLIC in and for the State

of Washington, residing at _____

My Commission expires: _____

STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____

(Seal or stamp)

Printed Name: _____

NOTARY PUBLIC in and for the State

of Washington, residing at _____

My Commission expires: _____

My Commission expires: _____

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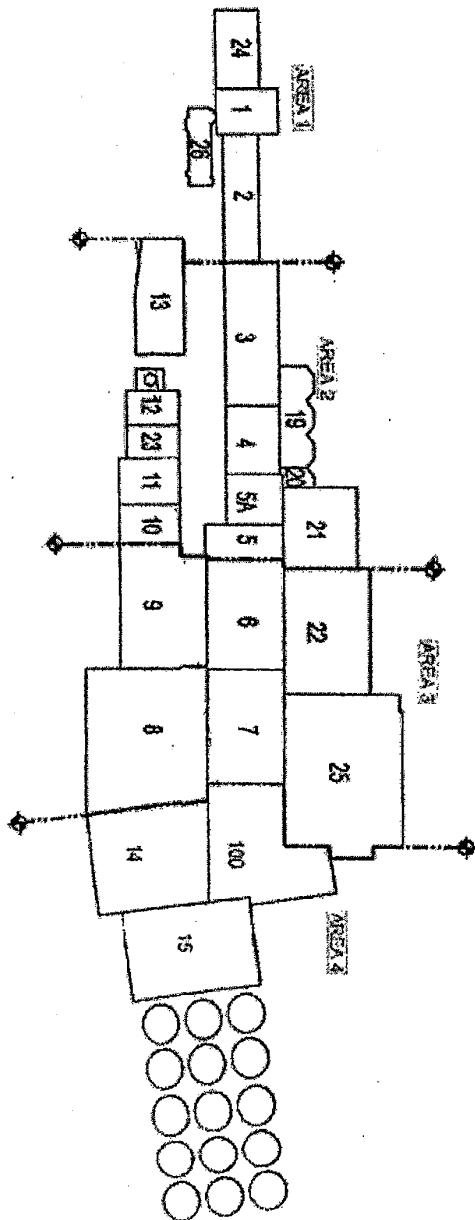
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EXHIBIT A

[Outline of the Premises]



Building 21 (.65)

Unit Number	Sq ft	monthly \$
Bld21f1u1	2935	1907.75
Bld21f1u2	2935	1907.75
Bld21f1u3	2345	1524.25
Bld21f1u4	948	616.2
Bld21f1u5	948	616.2
Bld21f1u6	948	616.2
Bld21f1u7	1421	923.65
Bld21f1u8	1420	923
Bld21f1u9	1300	845
Bld21f1u10	800	520
Total Units	Total Sq ft	Total monthly \$
10	16000	10,400.00

The land referred to is situated in the State of Washington, County of KING, and is described as follows:

PARCEL 2:

LOTS 1 THROUGH 6, BLOCK 233, SEATTLE TIDELANDS, IN KING COUNTY, WASHINGTON, AS SHOWN ON THE OFFICIAL MAPS ON FILE IN THE OFFICE OF THE COMMISSIONER OF PUBLIC LANDS AT OLYMPIA, WASHINGTON;

TOGETHER WITH LOTS 1 THROUGH 12, BLOCK 17, HANFORD'S ADDITION TO SOUTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 37, IN KING COUNTY, WASHINGTON;

TOGETHER WITH ALL OF VACATED ALLEY IN SAID BLOCK 17, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 38522;

TOGETHER WITH LOTS 1 THROUGH 12, BLOCK 16, HANFORD'S ADDITION TO SOUTH SEATTLE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 37, IN KING COUNTY, WASHINGTON;

TOGETHER WITH ALL OF VACATED ALLEY IN SAID BLOCK 16, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 38521;

TOGETHER WITH ALL OF VACATED SOUTH WINTHROP STREET BETWEEN SAID BLOCKS 16 AND 17 AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 38522;

TOGETHER WITH THAT PORTION OF VACATED SOUTH HANFORD STREET ADJOINING BLOCK 16, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 69571 AND WOULD ATTACH BY OPERATION OF LAW;

TOGETHER WITH THAT PORTION OF VACATED TENTH AVENUE SOUTH, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 95836, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE PRODUCTION SOUTH OF THE EAST LINE OF BLOCK 16 OF SAID PLAT OF HANFORD'S ADDITION TO SOUTH SEATTLE AND THE WESTERLY RIGHT OF WAY LINE OF THE SEATTLE FREEWAY (PRIMARY STATE HIGHWAY NO. 1);

THENCE NORTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE PRODUCTION EAST OF THE NORTH LINE OF LOT 12, BLOCK 17 OF SAID PLAT;

THENCE WEST ALONG SAID PRODUCED LINE TO THE EAST LINE OF BLOCK 17;

THENCE SOUTH ALONG SAID EAST LINE AND THE SAME PRODUCED AND ALONG THE EAST LINE OF BLOCK 16 TO THE POINT OF BEGINNING;

EXCEPT FROM THE ABOVE DESCRIBED PARCEL 2 ANY PORTION LYING WITHIN THE NORTHERN PACIFIC RAILWAY COMPANY RIGHT OF WAY;

EXCEPT FROM THE ABOVE DESCRIBED PARCEL 2 THOSE PORTIONS AS CONVEYED TO THE STATE OF WASHINGTON FOR PRIMARY STATE HIGHWAY NO. 1 BY DEED RECORDED UNDER RECORDING NUMBER 6199964.

PARCEL 3:

LOTS 1 THROUGH 6 AND THE EAST 102 FEET OF LOTS 7 THROUGH 12 AND THE NORTH 10 FEET OF SOUTH MORTON STREET ADJOINING, AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 69575, ALL IN BLOCK 40, FIRST ADDITION TO SOUTH SEATTLE BY J. J. MORSE, ACCORDING TO THE PLAT THEREOF, RECORDED IN VOLUME 1 OF PLATS, PAGE 53, IN KING COUNTY, WASHINGTON;

TOGETHER WITH THAT PORTION OF VACATED SOUTH HANFORD STREET AS VACATED UNDER CITY OF SEATTLE ORDINANCE NUMBER 69571 AND WOULD ATTACH BY OPERATION OF LAW;

EXCEPT FROM THE ABOVE DESCRIBED PARCEL 3 THOSE PORTIONS AS CONVEYED TO THE
STATE OF WASHINGTON FOR PRIMARY STATE HIGHWAY NO. 1 BY DEED RECORDED UNDER
RECORDING NUMBER 6199964.

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EXHIBIT B
[Legal Description]

3100 Airport Way South Seattle WA. 98134 Consisting of approximately 240,000 SF of buildings.
Building 21, is composed of 5 main floors totalling approximately 16,000 square feet

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EXHIBIT C

[Tenant Improvement Schedule]

Landlord at its sole cost will conduct "to code" the following work (all improvements will remain the property of Landlord), other than work to be performed by Tenant as set forth herein. All work to be done by Tenant shall be done in accordance with applicable "code" requirements and require the prior written consent of Landlord and the presence of Landlord or its contractor.

1. Live in works status will be delivered by landlord and is subject to approval process and DCLU/City of Seattle permits and approvals. Tenant will operate and act under the regulations of live in work status.

Landlord will deliver the space in good safe condition with all hazardous (including asbestos) materials removed and Lead-base paint to be encapsulated (refer to RCW regarding landlord / tenant responsibilities for handling lead paint).

2. Landlord will provide metered utilities per co-op as it is mentioned in paragraph 8 of the lease document.

3. The roof will be delivered without leaks, sealed and water tight.

4. The floors will be filled where necessary.

5. Windows – double thermal pane or glass brick where necessary. Building 21 all singal pane replaced with double thermal pane or glass brick 25% to 50% operable. One additional window opening will be provided in unit #bld21fl3u2 on the west wall of the space provided that this does not necessitate any additional structural reinforcement.

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6. Walls—Materials will be provided and delivered by Landlord at landlord's cost and walls will be constructed by the Tenant (co-op groups) at Tenants's cost. The materials provided by Landlord shall be -2x4 metal studs on a 2x6 base, 5/8" GWB (sheet rock) and insulation per code requirements.
7. Electrical—60 Amps three 20 amps legs to three circuits per unit. (washer & dryer will be included in the calculation but not provided).
8. Plumbing—Landlord will provide hot and cold stubs and drainage for each bathroom and kitchen (one per unit) and 50 Gallon hot water unit (washing machine will be included in the calculation but not provided). All hookup costs and all other appliances shall be at Tenant's expense.
9. Gas Heating and ventilation (most energy efficient system allowable per building code).
10. Project schedule will be provided by Landlord prior to early possession.
11. Option to purchase:
- Tenant shall have an option, subject to the conditions set out below, to purchase building 21 ("Building") and the land under the Building ("Land"), within the first 3 years of this Lease (the "Option Period") upon the terms and conditions set forth herein. Tenant acknowledges that the Building and the Land are not currently a separate legal lot and that it would be necessary to create a separate legal lot containing the Building and the Land in order to transfer the Building and the Land to Tenant in fee simple. In the event that Tenant desires to exercise the option hereunder it shall notify Landlord in writing within the Option Period. As quickly as reasonably possible thereafter, Landlord shall notify Tenant as to whether or not it is practical, in Landlord's opinion, to create a separate legal lot for the Land and Building. Unless Landlord notifies Tenant that it is impractical to create a legal lot for the Land and Building, Tenant shall be deemed to have exercised the option to purchase the Land and Building in fee simple. All work and costs associated with creating a legally transferable legal lot for the Building and the Land, as required by the City of Seattle or other government agency with jurisdiction in

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Multi-Tenant Gross Lease
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the matter, shall be performed and paid by Tenant (the "Conversion Costs"), subject to Landlord's prior written consent. The dimensions of the lot containing the Land and Building shall not be larger than the footprint of the Building. Under no circumstances will Landlord agree to any changes that would adversely affect the remainder of its property, in its opinion. Furthermore, if Landlord determines that reciprocal covenants or other common use agreements are required to protect Landlord's remaining property, Tenant agrees to execute such reasonable documents at closing of the sale.

If, after receipt of Tenant's written notice of its desire to exercise of the option, Landlord informs Tenant that selling the Land and Building in fee simple is not practical, but creating a condominium unit for the Land and Building is practical, Tenant shall have the right to request Landlord to create a condominium regime with the Land and Building as a unit by notifying Landlord in writing, within forty-five (45) days thereafter, that Tenant desires to exercise the option as to the Land and Building as a condominium unit. The option shall terminate immediately if Tenant fails to notify Landlord of Tenant's election to exercise the option to purchase the Land and Building as a condominium unit within the period set forth above. If Tenant does exercise the option to purchase the Building and Land as a condominium unit, Tenant shall be required to pay Landlord for the work and costs associated with creating the condominium project, including all changes or additions required by any government agency in order to create the condominium regime (also "Conversion Costs"), which amounts shall be paid based on the budget submitted by Landlord. Tenant shall pay a pro-rata share of the Conversion Costs based on the ratio of the square footage of the Land and Building to the ratio of the other property of Landlord that is to be part of the same condominium project. Payment shall be made in accordance with the dates set forth in the budget. The option shall terminate immediately if Tenant fails to make any payment within ten (10) days after the due date.

The price per square foot shall be \$100 for the Building and Land (plus the Conversion Costs to be paid by Tenant), increased for any annual increase, during the period of the option, in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (all items for Seattle/Tacoma/Bremerton, Washington on the basis of 1982-1984 = 100) (the "Index"). For such purposes, the initial purchase price shall be increased by the percentage that the Index has increased from the date hereof to the date of closing on the Property on an annual basis. If a sprinkler system, alarm system, or new elevators are required by the City of Seattle or other government agency, the purchase price will increase by

LEASE AGREEMENT
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the cost of the latter items, but not more than 10% above the original purchase price. All other changes or additions required by any government agency in order to sell the Building and the Land shall be the responsibility of Tenant; provided that no such changes shall be made effective until closing hereunder.

Tenant acknowledges that Landlord has made no representations as to whether it will be able to sell the Building and the Land to Tenant.

The option may be exercised by Tenant at any time during the first three (3) years of the Lease term; provided, that, if closing does not occur within such three (3) year period for any reason, including the failure to get the governmental approvals or changes required in order to sell the Building and Land in fee simple or as a condominium unit, the option shall thereafter be null and void unless Tenant demonstrates to Landlord that it has applied for a loan that is in the process of being finalized, in which event Tenant may extend the option period for up to one (1) year for the sole purpose of obtaining the applied for financing.

12. All tenant work shall be done to code and under the rules of the state of Washington.

Rent Rider

1. **BASE MONTHLY RENT SCHEDULE.** Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
1-5 years	\$.65 per SF.
6-10 years	See item 2. below
11-15 years	See item 2. below

2. Option to renew: Tenant shall have two (2) five years option to renew the lease. For the first 5 year option a CPI adjustment will apply and calculated from the beginning of the initial lease term. For the second option years A CPI adjustment shall be calculated based from the first renewal option.

BS S.A. 12/17/03
Landlord's Initials Date

[Signature] 12/12/03
Tenant's Initials Date